Message Text

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ACTION ARA-10

INFO OCT-01 SS-14 ISO-00 NSC-07 NSCE-00 EB-03 L-02 CIAE-00

INR-10 NSAE-00 RSC-01 INRE-00 PM-03 DODE-00 PRS-01

OMB-01 COME-00 TRSE-00 INT-01 CIEP-01 SSO-00 DRC-01

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FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC IMMEDIATE 0937

CONFIDENTIAL SANTO DOMINGO 2825

FROM AMBASSADOR

E.O. 11652: GDS

TAGS: EFIN, EMIN, EIND, DR

SUBJECT: BAUXITE NEGOTIATIONS WITH ALCOA

REF: STATE 148927

- 1. APPRECIATE INSTRUCTIONS CONTAINED REFTEL.
- 2. SINCE FIRST INDICATIONS GODR SEEKING REVISE ALCOA CONTRACT, WE HAVE BEEN IN CLOSE TOUCH WITH ALCOA REP HUGHSON WITH STANDING OFFER TO BE OF WHATEVER ASSISTANCE WE COULD APPROPRIATELY PROVIDE. IN DISCUSSING SITUATION WITH HUGHSON THIS MORNING, WE AGREED WE HAD ONLY SO MUCH AMMUNITION WHICH WE OUGHT TO HUSBAND. ACCORDINGLY, HUGHSON WILL SEEK APPOINTMENT WITH PRESIDENT BALAGUER (WHOM HE HAS KNOWN WELL FOR PAST FIFTEEN YEARS) FOR EITHER TODAY OR TOMORROW AND LET ME KNOW RESULTS OF HIS EFFORTS. IF HUGHSON THINKS SUBSEQUENT DEMARCH ON MY PART BEFORE SECOND AND FINAL READING OF PROPOSED LAW ON JULY 16 WOULD ASSIST HIS CAUSE I AGREED TO CONSIDER IT.
- 3. COMMENT: I WOULD PREFER TO SEE ALCOA AND THE GODR SETTLE THIS DIRECTLY BUT AM QUITE PREPARED TO TALK TO PRESIDENT CONFIDENTIAL

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BALAGUER. BALAGUER IS PROBABLY MOTIVATED BY THREE CONSIDERATIONS:

(1) NEED FOR GREATER INCOME TO PAY HIS INCREASED PETROLEUM BILLS (ONE HUNDRED MILLION DOLLARY); (2) DOMESTIC POLITICAL CONSIDERATIONS TO DEMONSTRATE TO NATIONALISTS AND OTHERS THAT HE CAN "HANDLE" POWERFUL MULTINATIONAL CORPORATIONS; AND (3) SOME NEED TO CREATE AN IMAGE DIFFERENT FROM THAT OF PARAGUAY AND NICARAGUA WITH WHICH THE DOMREP IS OFTEN IDENTIFIED BY POLITICAL SIMPLETONS AND WHICH MAKES BALAGUER UNCOMFORTABLE (HE FANCIES HIMSELF AS A SOCIAL REFORMER). BY ASSOCIATING THE DOMREP WITH THE BAUXITE PRODUCERS, HE PROBABLY FEELS HE WOULD FIND HIMSELF IN MORE "LIBERAL" COMPANY.

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Message Attributes

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